

# NEXT SCIENCE<sup>®</sup>

## NEXT SCIENCE LIMITED

### Continuous Disclosure Policy

#### 1 Introduction

Next Science Limited (**Next Science** or the **Company**) is an Australian company listed on the Australian Securities Exchange (**ASX**) and must comply with the Australian *Corporations Act 2001* (Cth) (**Act**) and the ASX Listing Rules (**Listing Rules**).

One of the most significant obligations imposed by the Act and the Listing Rules is the obligation of continuous disclosure to the market via the ASX of Material Information. Material Information must be disclosed publicly via the ASX “promptly and without delay”.

In this policy, **Material Information** means information that may affect the price or value of the Company’s shares or influence decisions taken by investors to buy or sell the Company’s securities.

#### 2 Purpose

The purpose of this Policy is to:

- (a) ensure that all of the Company’s Directors and employees, contractors and consultants (**Employees**) are aware of the Company’s continuous disclosure obligations;
- (b) set out the procedures that apply to the central collection, control, assessment and if required, release to the ASX, of Material Information; and
- (c) reflect the Company’s commitment to meeting our shareholders’ and other stakeholders’ expectations for equal, timely, fair and transparent disclosure of Material Information to ensure that the market is fully informed at all times.

#### 3 Disclosure Officer and Disclosure Committee

For the purposes of compliance with the Company’s continuous disclosure obligations, The Company’s Managing Director has been designated as the Company’s disclosure officer (**Disclosure Officer**).

The Disclosure Officer, in consultation with at least two other members of the **Disclosure Committee**, is primarily responsible for:

- (a) making decisions on what should be disclosed publicly under this Policy; and
- (b) ensuring that this Policy is implemented and enforced and that all required Material Information is disclosed to the ASX as required by the Act and the Listing Rules.

In addition to assisting the Disclosure Officer with these responsibilities, the Disclosure Committee is responsible for:

- (a) monitoring the Company’s disclosure practices and making recommendations to the Board on updating this Policy as required;
- (b) assisting Employees to understand what information may require disclosure to ASX on the basis that it is market sensitive; and
- (c) administering this Policy.

The Company Secretary has been designated as the person responsible for communication with the ASX in relation to Listing Rule matters under Listing Rule 12.6.

The *Terms of Reference* for the Disclosure Committee are set out in **Appendix 1** to this Policy.

#### **4 Approval for disclosure to ASX**

If the Disclosure Officer believes information must be disclosed to ASX, the Disclosure Officer must seek approval for disclosure of the information to ASX as follows:

- (a) in the first instance, approval from the Board;
- (b) if it is not practicable to seek approval from the Board (recognising the requirement to immediately disclose market sensitive information), the Disclosure Officer must seek approval from:
  - (i) the Chairman; or
  - (ii) in his or her absence – the Chairman of the Audit & Risk Committee; and
- (c) if, in exceptional circumstances, the Board and the Chairman (and the Chairman of Audit & Risk Committee) are not available, the Disclosure Officer has authority to approve disclosure of the information to ASX.

#### **5 Board review of continuous disclosure matters**

As a standing agenda item at each Board meeting, the Directors will raise and consider whether there is any information (including any matters reported to or discussed at the Board meeting) that may potentially need to be disclosed to the market pursuant to the Company's continuous disclosure obligation.

Each Board report will contain a section dealing with continuous disclosure issues.

#### **6 Request for information by ASX — False market**

If ASX asks the Company for information to correct or prevent a false market, the Disclosure Officer must consider the request and seek approval for any disclosures in accordance with section 4 above.

#### **7 Requests for Trading Halts**

In the interests of maintaining a fully informed, fair and transparent market, or where confidentiality of price sensitive information is lost and the Company is unable to make immediate disclosure, it may be necessary for the Company to request a trading halt from the ASX. The Disclosure Officer, in consultation with at least two other members of the Disclosure Committee, will make all decisions relating to a trading halt.

Before requesting a trading halt, the Disclosure Officer or Company Secretary must seek approval to do so from the Board or the Chairman (or the Chairman of the Audit & Risk Committee) as contemplated in section 4 above. However, it is recognised that the Company may be required to submit a trading halt expeditiously and that it may not always be practicable for the approval of the Board to be sought (depending upon the circumstances). In such situations, the Disclosure Officer has authority to approve the lodgement of the trading halt.

#### **8 Disclosure to ASX and dissemination**

When disclosure of information under section 4 has been approved, the Company Secretary must immediately lodge that information with ASX in the manner prescribed by the ASX Listing Rules.

Information lodged with ASX must not be released publicly by the Company until the Company has received formal confirmation from ASX that the information has been released.

Once the Company has received formal confirmation from ASX, the Company Secretary must promptly email the release to the Directors and post the release on the Company's website. The Company may simultaneously or subsequently release the information in any other manner it considers appropriate including issuing a media release, conducting a press conference or mailing details to the Company's security holders.

## **9 Responsibilities of Directors, Executives & Employees**

Listing Rule 3.1 applies to information that a Director or Executive Officer has in his or her possession, or ought reasonably to have in their possession. This means that Directors and Executive Officers must ensure they are up to date on all matters within their responsibility, so that the Company has sufficient information to manage its continuous disclosure obligations.

If an Employee becomes aware of a matter that may require disclosure, or is unsure whether information may be Material Information, they should immediately consult the Disclosure Officer.

Employees must ensure that the confidentiality of any information concerning the Company is maintained. If information loses confidentiality, the Disclosure Officer will then need to consider whether the information must be disclosed to the ASX.

The Board may require the Company's external auditors to audit and report on compliance with this Policy.

## **10 Types of information that may require disclosure**

For assistance in determining whether information is Material Information and therefore may be required to be disclosed, Employees are to refer to the Disclosure Officer.

As a guide, the following types of information may be Material Information and therefore may be required to be disclosed:

- a) the Company's financial results;
- b) projections of future earnings or losses;
- c) material changes to the Company's financial forecasts;
- d) a decision to pay, or a decision not to pay, a dividend;
- e) the approval of a share, option or debt issue and the under or over subscription of that issue;
- f) acquisitions, mergers, sales, joint ventures or takeovers;
- g) information about the Company's business direction, investments or asset purchases or sales;
- h) regulatory decisions or incidents that may affect the Company's ability to carry on normal operations;
- i) the threat, commencement or settlement of any material litigation or claim;
- j) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility;
- k) a material change in any accounting policy adopted by the Company;
- l) a proposal to change the Company's external auditors;
- m) changes in senior management; and
- n) the health or capacity of any Director.

It should be noted that the above list is not an exhaustive one. There are many other matters which may give rise to Material Information. Where an Employee is in any doubt as to whether information is material, they must forward it to the Disclosure Officer.

## **11 Market speculation & rumours**

It is the Company's policy not to comment on speculation or rumours unless a response is required by the Act or the Listing Rules. It is also the Company's policy not to comment on or endorse financial forecasts published by third parties. In certain circumstances, the Company may decide to issue an ASX announcement correcting misinformation or if it believes that an announcement is in the best interests of the Company and its shareholders.

## **12 Communications with third parties**

The Company will communicate with the investment community, including retail and institutional investors, analysts and investment banks. These communications may only be undertaken by persons authorised to do so on behalf of the Company. Material Information will not be released or discussed with the investment community before it has been disclosed to the ASX.

Communications with the media and responses to media inquiries are also restricted to persons authorised for that purpose. All media inquiries should be directed to the Managing Director at first instance. The Managing Director will keep the Chairman of the Board informed of all communications with the media.

If a person connected with the Company receives a request for comment from a third party, that person must advise the third party that they are not authorised to speak on behalf of the Company and if appropriate, refer the inquiry to the Managing Director at first instance.

The Company's Directors and Employees are not permitted to discuss the Company on social media such as stock market forums. The Company will monitor identified relevant social media when a market sensitive announcement is pending.

## **13 Pre-result periods**

To ensure compliance with its continuous disclosure obligations, in the period between the end of the Company's financial reporting periods and announcement of its financial results, the Company's Directors and Employees may not discuss financial information, broker estimates or forecasts with third parties, unless the information has previously been disclosed to the ASX.

During pre-result periods, the Company will not normally undertake one-on-one meetings between the Company's senior management and investment community representatives or the media.

Blackout periods in respect of trading by Directors in Next Science shares apply during the period 31 May until the release of half year results and from 30 November until the release of full year results.

## **14 Inadvertent disclosure**

If any price sensitive information is inadvertently disclosed by a Director or Employee of the Company to a party outside the Company, the Disclosure Officer must be immediately notified, in order that the information can be considered in the context of the Company's continuous disclosure obligations.

## **15 Review of this policy**

This Policy will be reviewed at least annually by the Disclosure Committee to ensure that it remains effective and consistent with all relevant legal pronouncements and best practice corporate governance principles and the Disclosure Committee will make recommendations to the Board for updating of the Policy as required.

**Effective date:** The Policy becomes effective on the date of Next Science's admission to the Official List of ASX

## Disclosure Committee Terms of Reference

### Powers and Responsibilities

1. To establish processes and procedures for the mandatory notification to the Disclosure Officer and Disclosure Committee of:
  - a) information that may be required to be disclosed pursuant to the *Corporations Act 2001* (Cth) (**Act**) and the ASX Listing Rules (**Listing Rules**); or
  - b) information that it may be desirable to disclose having regard to considerations of keeping the market appropriately informed.

For the purposes of these Terms of Reference, this information is referred to as **Material Information**.

2. In conjunction with the Disclosure Officer, to consider decisions concerning the disclosure of Material Information, including decisions on:
  - a) whether the information is required to be disclosed;
  - b) whether a trading halt is required in order to manage the Company's disclosure obligations;
  - c) the substance of the disclosure to be made;
  - d) the means by which disclosure should be made; and
  - e) the timing of disclosure.
3. To provide formal assurance to the Board that all Material Information has been the subject of consideration by the Disclosure Officer and the Disclosure Committee.
4. To formulate and recommend to the Board, changes to the Company's *Continuous Disclosure Policy*, having regard to changes in the Act or Listing Rules, and evolving corporate governance standards.

### Process and Procedures

5. The Disclosure Committee shall consist of:
  - a) the Disclosure Officer;
  - b) the CFO; and
  - c) the Company Secretary.
6. The Disclosure Officer will be the Chairman of the Disclosure Committee.
7. The Disclosure Committee will convene as is required in order to exercise the powers and discharge the responsibilities conferred by these Terms of Reference.
8. Meetings of the Disclosure Committee may be held by any means permitted for meetings of the Board and its Committees.
9. In transacting its affairs, the Disclosure Committee may consult with such advisers as it considers appropriate, including the Company's external legal advisers.
10. The Disclosure Committee shall ensure minutes of its proceedings are kept in a format consistent with minutes of Meetings of the Board and its Committees.
11. The Disclosure Committee may from time to time adopt such other rules and regulations as it deems appropriate for the conduct of its affairs. Such other rules and regulations shall not be inconsistent with the Company's Constitution, its *Continuous Disclosure Policy*, these Terms of Reference, the Listing Rules and the Act.